

NH State Advisory Board  
Department of Administrative Services  
Surplus Distribution Section  
12 Hills Avenue  
Concord, NH 03301

Director, Food Distribution Division  
Food and Nutrition Service  
3101 Park Center Drive  
Alexandria, Va 22302

April 19, 2000

Dear Suzanne:

I am writing this letter in response to the proposed improvements to the Commodity Program. Currently, the Surplus Distribution Section of the Department of Administrative Services for the State of New Hampshire has done an outstanding job of providing government commodities to all Food Service Authorities throughout the state. They have provided these commodities with mostly satisfactory results. Problems are rare, except, in menu planning when commodities come in unequal amounts throughout the school year from the national level and without sufficient predictability.

The USDA Proposal for Change (BPR) has some very positive changes that would help, but also, has some negative changes that I would like to address:

**Procurement and Specifications**

Expanding the use of long-term contracts from cheese to many other commodities would definitely benefit all FSAs if it provides more timely deliveries and lower prices.

**Best-value contracting**

Best-value contracting should not only provide low pricing, but also, provide on-time deliveries, replacement of defective product and resolve complaints, adherence to specifications, and effectiveness of quality assurance. It is most important to provide quality products and service. These value-added enhancements can be tied into long-term contracts.

**Update product specifications and allow vendors to use commercial labels**

Improving product specifications will bring USDA products in line with commercial product specifications which will prevent special production runs and special packaging materials in order to produce USDA commodities. It will certainly be a benefit to see commercial labels on USDA commodities.

**Commodity Processing**

Although commodity processing can work with a few commodities, such as, meatballs and steakums, we should not encourage it too far. There is no question that commodity processing brings increased prices, and how are SFA's supposed to absorb this increased cost? There is nothing wrong with government commodities coming in bulk form and not being

FD-162  
SIB  
4-25-00

processed.

**Expand full substitutability of commodity product**

Absolutely not !! Here we will have no control over where the product comes from. Will it be US, or foreign? The purpose of the agriculture supports was to encourage usage of US agriculture products. With no federal inspectors, how can we be assured where these products come from.

**Work with states to test the seamless commodity distribution concept**

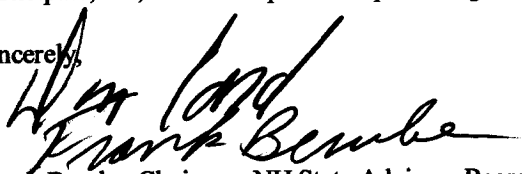
Any rebate system requires endless paperwork. The SFA doesn't have time to spend on this endless paperwork. If applied to most commodities, this would be a major revenue concern.

We have never had a problem in New Hampshire with commodity holds and recalls. The State Surplus Distribution Section has always handled this problem with efficiency, and, any products recalled are picked up and stored in the state warehouse.

Other improvements proposed which include computer connectivity to the school district level is possible if federal funds are provided to implement this proposal, and if USDA would provide a single USDA point of contact this would provide much needed improvement.

In summary, some of the proposed changes are positive, and others are negative. We are appalled to find USDA trying to rush through a Proposal for Change with only a small sampling of two states, and, they did not even take the time for a national survey. SFA's in New Hampshire were never asked to participate, but, now we hope our response is given due consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Berube", is written over the typed name.

Frank Berube, Chairman NH State Advisory Board  
Don Card, Assistant Chairman NH State Advisory Board